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ESTABLISHMENT OF SYSTEM OF RAILWAY RESPONSIBILITY
IN CHINA FOR FULL CARLOAD SHIPMENTS

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Railways should assume responsibility for transporting fully loaded cars. The regulations of the Ministry of Railways and Subsidiary Regulations No 16 very clearly state "Railways are responsible for goods in transit from the time of acceptance to the time of delivery and shall make reimbursement for all damages occurring during that period." But, because of lack of equipment and the ravages of war, the railways have experienced extreme difficulty in carrying out the program of responsibility for full carload freight transport.

The following will illustrate:

- 1 -

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care of discharge formalities at destination points. If the railways assumed responsibility, at least 80 percent of this manpower could be saved which would result in an immediate saving of 9,600 man-days each day.

2. Accidents are caused by unfamiliarity of car attendants with railway regulations. For example, within the jurisdiction of the Tientsin Railway Bureau, a carload of cotton caught fire and there was considerable loss of national property.

3. Since railways have not been assuming responsibility for carload lots in transit, banks have not developed a system of bills of exchange /loans/ for such goods. As a result, there is delay in capital turnover, flow of goods, and economic expansion.

4. Since car attendants are unarmed, they are unable to cope with vandals who board cars and carry off goods. Merchants thus suffer losses.

5. Shippers have to employ people to protect their cargoes from loss by theft and from the weather while waiting for cars, while en route and at destinations. All this adds much to the cost of goods; and, by increasing prices, it reduces demand and sales.

6. The large number of shippers' representatives congregating in cabooses, dispatching offices, and yards interfere with operations. They also interfere with safety measures. Some attendants themselves engage in thefts and disputes arise.

7. Considerable quantities of goods that could go by rail are diverted to water shipment because the railways do not assume responsibility for carload lot shipments. Railway income is thus reduced. For example, the Hangchow Branch Tea Company was shipping tea by water until the Hangchow station signed a contract assuming responsibility for shipments.

The above considerations reveal the seriousness of the losses arising from the nonresponsibility system, and the importance of this matter to the nation, to shippers, and the railways themselves. Last year, when the railways were seeking information on shippers' plans for cargoes in 1950, they found that many shippers were not interested unless the railway would assume responsibility. This illustrates the importance of the public demand for a new policy.

B. Difficulties Confronting New Policy

The public is clamorously demanding that railways assume responsibility for carload lot shipments, and this policy would be advantageous to the railways from the viewpoint of shipping expansion and income. Why, therefore, do the railways delay; what are the problems?

Primarily, warehouse space and car tarpaulins are short. Secondly, railway personnel lack the experience to implement a policy of responsibility. They will require training.

Can these difficulties be readily overcome and the new policy instituted quickly? This question must be answered with reference to the actual conditions on the railways. If it is not now feasible it will have to be delayed. If it is feasible there should be no further delay. If it should be attempted when it is not feasible that would lead to defeat of the purpose. If it is feasible, but not carried out quickly, the railways are not meeting their responsibility to the people.

- 2 -

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On the basis of the present financial situation, funds necessary to provide the requisite warehouses, covered cars, and tarpaulins, for the whole country at once, are not available; but, a partial program could be undertaken. At the Planning Conference in 1951, Lu Cheng-ts'ao, Vice-Minister of Railways, stated that the new plan would surely be begun in 1952 on a partial basis. This is recognized as representing the actual intentions of the government, and is considered the best way to get this program started.

C. Institution of Responsibility Program

It is advocated that the program be implemented gradually. Goods will be divided into two classes, namely, those subject to damage by rain and dampness, and those not subject to such damage.

1. Goods Damaged by Rain and Dampness

Stations having rain-proof storage facilities should be selected for the beginning of the program; and, as new facilities are made available, the program can be expanded.

Stations able to meet the conditions of goods care should be selected as terminals and all the available covered cars and tarpaulins should be assigned to trains running between such stations. Such a plan could be put into practice rather quickly.

Before and during the war of resistance the program of responsibility for carload lots was practiced, but it has been suspended for several years. Crews and safety forces are not familiar with it and a nationwide simultaneous application of the program would necessitate a vast training program. However, on a partial basis, capable selected personnel can be concentrated in the test areas now.

A partial application of the program will give opportunity for gathering and coordinating experience and making improvements on a regional basis. It will also permit gradual addition of equipment. Eventually the program with the improvements can be extended to the whole country. The areas in operation can be utilized as training centers for personnel from the areas to be brought into the program later. The size of the areas in which the program is started on the different roads will depend on the facilities available.

2. Goods Not Damaged by Rain

Timber, coal, stone, ore, and heavy machinery can be handled immediately under the program. However, in the case of certain kinds of materials the necessary checking of quantities and items between shipper and carrier to make sure of the degree of responsibility for any losses would require too much time. Therefore, these types of goods can be further subdivided into two classes:

a. Easily Counted and Not Easily Stolen

The carload lot responsibility program can be easily and immediately applied to easily inventoried and not easily stolen goods, such as heavy machinery, ore, and stone.

b. Not Easily Counted but Easily Stolen

Another class of goods more difficult to inventory and inspect and more easily stolen, such as coal and coke, brick, tile, metals, and lumber, can be covered with nets or with tarpaulins and sealed to simplify

- 3 -

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the process of enumeration and inspection. A beginning could be made with a limited number of inexpensive nets for experimentation. If they prove practical, large-scale use could be made of them.

Coal is a very important item in rail transport. Before the war, because of the vulnerability of coal to pilferage, and the commonness of this practice, the system of railway responsibility for this type of cargo had not been put into practice. At present, the tendency to pilfer has practically disappeared on all lines and the system of railway responsibility for carload lot shipments of coal presents no problem. To facilitate measurement and inspections of coal, covering it with nets is a dependable practice; however, coal transport rates are low and most cars are loaded at the mine and in some cases (particularly the Kailan mines) weighed in the mine. Since most coal trains are unloaded from sidings, the required cover nets could be provided by the mine itself; this would be convenient both for maintenance and use. Although this would increase the expense to the mine, it would more than pay for itself in the saving of car attendants.

All that the guards would be required to do for the above non-perishable goods is to protect them from pilferage. However, at present, personnel are inexperienced and unfamiliar with procedures and errors could easily ensue. Hence, the new program for these materials may well be introduced on a key-point basis.

D. Preparation for Assuming Responsibility for Carload Shipments

In preparation for implementing the program of railway responsibility for carload lots in transit, the following steps should be taken.

1. The Ministry of Railways should set up a program for the responsibility plan and send it out to the various railway bureaus for study and suggestions.
2. After having collected suggestions from all the railway bureaus, the Ministry of Railways should call a conference of all the bureaus to discuss the availability of covered cars and tarpaulins and the stations with best warehouses. The conference should decide the types of goods to be included first in the carload lot responsibility plan, the goods to be included later, what stations should first introduce the plan for goods subject to damage by rain, what stations should join the plan to care for nondamageable goods, and what stations could care for both types. The conference should set up plans to promote the program of nationwide responsibility for carload lot shipments.
3. The Ministry should provide for the distribution of all available tarpaulins to the areas where the plan is to be initiated. Damaged tarpaulins may be repaired by the different lines after the distribution.
4. A target date should be set for completing repairs on all covered cars that leak.
5. The stations to be included in the program for goods subject to damage by rain should be designated and all needed repairs be made to the warehouses. All warehouses loaned to other agencies should be returned to the railways. A layout for the orderly arrangement of goods in each warehouse should be established, and support skids put in place to protect goods from floor damp.
6. Storage space for goods not damaged by dampness should be arranged in stations assigned to this type of goods. Compound walls, barbed wire enclosures, or wooden stockades, should be put in shape to ensure security and maintenance.

- 4 -

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7. Specifications for goods nets should be made and trial orders placed. No large orders should be placed until the nets have been proved satisfactory.

8. All protective supplies should be made ready. They include: tarpaulins, nets, skid timbers, scales, cordage, metal tally slips, lead slugs, seal pliers, galvanized wire, and goods tags. In addition, loading and maintenance equipment and materials should be repaired, and arrangements should be made for fire protection, lighting equipment.

9. The regulations and instructions of the Ministry of Railways should be distributed to the bureaus and personnel concerned for study.

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- 5 -

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